

SECOND KILLEARN TRUST
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2009

FRENCH DUNCAN LLP

375 West George Street
Glasgow
G2 4LW

SECOND KILLEARN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J Parker - Chairman
Mrs K Pollock - Secretary
Mrs G Smith - Treasurer
Mr J Fallas
Mr A Berrill - Ex Officio
Mrs P McCowan - Ex Officio

Secretary

Mrs K Pollock

Charity number

SC003347

Independent examiner

French Duncan LLP
375 West George Street
Glasgow
G2 4LW

Bankers

Bank of Scotland
136 Buchanan Street
Balfron
Glasgow
G63 OTG

Solicitors

McLay, Murray & Spens
151 St Vincent Street
Glasgow
G2 5NJ

Investment advisors

Deutsche Bank Private Wealth Management
130 St Vincent Street
Glasgow
G2 5SE

SECOND KILLEARN TRUST

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SECOND KILLEARN TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2009

The Trustees present their report and accounts for the year ended 5 April 2009.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Trust Deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities," issued in March 2005.

Structure, governance and management

The Trust was established by a charitable trust deed on 27 March 1935. The Trust owns nine residential properties and two open spaces, purchased in order to meet the charity's objectives.

The Trust is run by unpaid Trustees and those who served the charity during the period were as follows:

Mr J Parker	- Chairman	
Mrs K Pollock	- Secretary	
Mr S Simmers	- Treasurer	(Resigned 10 December 2008)
Mrs G Smith	- Treasurer	(Appointed 10 December 2008)
Mr J Fallas		
Mr A Berrill	- Ex Officio	
Mrs P McCowan	- Ex Officio	
Rev P Malloch	- Ex Officio	(Resigned 10 June 2009)

The charity has reviewed its policies relating to induction and training to comply with new guidelines and recommendations from the Office of the Scottish Charity Regulator. This has ensured that its policies are sufficient to meet the training needs of its Trustees and that the charity continues to maintain the highest possible standards of service delivery.

Elected Trustees come up for election every four years. Ex Officio Trustees are Trustees based on the position they hold within the village, namely Minister for Killearn Kirk, Killearn Primary School Head Teacher and the Stirling Councillor for Blane Valley.

The Trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The main objective of the trust is to inaugurate and/or assist either financially or in any other way any scheme, purpose, society or object which in any way promote the moral, social and intellectual welfare of the inhabitants of the Parish of Killearn. This is largely achieved through the provision of affordable housing to deserving individuals from the Killearn area and donations to worthwhile causes within the community.

SECOND KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2009

Achievements and performance

Properties

Routine Repairs and maintenance were carried out to all nine properties, including external painting of 14 Main Street, Killearn. In addition, the introduction of new legislation standards led to the installation of mains powered smoke alarms in all properties.

A new tenant was appointed to the property at 35 Main Street, Killearn in the Spring of 2008. Some extra maintenance work was carried out to the property while it was vacant.

Registration of the Trust as Landlords under the Anti-Social Behaviour etc. (Scotland) Act 2004 with Stirling Council was completed.

The Trust's factors, Redpath Bruce LLP, continue to be accountable for all matters relating to the properties including rent collection and payment of invoices.

Funding

A donation of £250 was made to the Strathblane and Strathendrick District Welfare Fund.

Open Spaces

The Glebe continued to be made available for weddings, the annual fireworks display and other village activities.

The grazings lease was transferred at the request of the tenant to his nephew and the annual lease was signed by all the Trustees.

Buchanan Monument

Following renovation works to the Buchanan Monument carried out by the Buchanan Society, information plaques situated within the grounds and provided by the Trust were unveiled at a ceremony in the Summer of 2008.

The Trust have continued to maintain the grounds of the Monument.

The Trust has been represented at meetings held with the Buchanan Society and various interested parties, including Historic Scotland, to discuss the future ownership of the Monument."

Parish of Killearn Book

The third edition of the Parish of Killearn book has been commissioned and funded by the Trust. Its publication was launched at Killearn Primary School on 19 March 2009. An initial run of 1,000 books was ordered and 194 had been sold at the year end.

Financial review

The Trustees are responsible for the Trust's internal financial controls, which aim to give reasonable assurance that issues are identified as they arise and are dealt with appropriately in an effective and timely manner. The Trustees meet quarterly to review the administration of the owned properties, the financial performance of its investments and to assess donation requests from local groups and individuals.

SECOND KILLEARN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2009

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The acquisition and disposal of investments, together with the management of the Trust's portfolio, is carried out by the Trust's advisers, Deutsche Bank Investment Management. The investment advisers took the decision to dispose of all the Trust's bank shares early in the financial crisis. Although a substantial loss was suffered on these sales, the overall loss on the portfolio has not been as great as it would have been without this action. At the year end the market value of investments was £276,260.

Plans for the future

The future plans of the Trust will be to continue to provide affordable housing to deserving individuals from the Killlearn area and make donations to worthwhile causes within the community.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the Trust's financial activities during the year and of its financial position at the end of the year.

In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Trust and which enable them to ascertain the financial position of the charity and which enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of Trustees

Mr J Parker - Chairman

Dated: 12 November 2009

SECOND KILLEARN TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SECOND KILLEARN TRUST

I report on the accounts of the Trust for the year ended 5 April 2009, which are set out on pages 5 to 11.

Respective responsibilities of Trustees and examiner

The Charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounting Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Regulations;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

John F Mason C.A.

French Duncan LLP

375 West George Street
Glasgow
G2 4LW

Dated: 12 November 2009

SECOND KILLEARN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2009

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2009 £	Total 2008 £
<u>Incoming resources from generated funds</u>						
Investment income	2	60,184	-	77	60,261	63,182
Incoming resources from charitable activities	3	3,236	-	-	3,236	3,275
Total incoming resources		63,420	-	77	63,497	66,457
<u>Resources expended</u>						
Costs of generating funds						
Investment management costs	4	3,742	-	-	3,742	4,685
Net incoming resources available		59,678	-	77	59,755	61,772
Charitable activities						
Direct charitable expenditure		36,636	-	-	36,636	22,916
Governance costs		679	-	-	679	700
Total resources expended		41,057	-	-	41,057	28,301
Net incoming resources		22,363	-	77	22,440	38,156
Other recognised gains and losses						
(Losses)/gains on investment assets		(79,461)	-	-	(79,461)	(34,229)
Net movement in funds		(57,098)	-	77	(57,021)	3,927
Fund balances at 6 April 2008		2,300,493	49,646	13,573	2,363,712	2,359,785
Fund balances at 5 April 2009		2,243,395	49,646	13,650	2,306,691	2,363,712

SECOND KILLEARN TRUST

BALANCE SHEET

AS AT 5 APRIL 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Investments	8	2,039,273		2,122,403	
Current assets					
Stocks		7,834		718	
Debtors	9	6,512		8,343	
Cash at bank and in hand		259,801		233,485	
		<u>274,147</u>		<u>242,546</u>	
Creditors: amounts falling due within one year	10	<u>(6,729)</u>		<u>(1,237)</u>	
Net current assets		<u>267,418</u>		<u>241,309</u>	
Total assets less current liabilities		<u>2,306,691</u>		<u>2,363,712</u>	
Capital funds					
Endowment funds	11	13,650		13,573	
Income funds					
Restricted funds	12	49,646		49,646	
Unrestricted funds		<u>2,243,395</u>		<u>2,300,493</u>	
		<u>2,306,691</u>		<u>2,363,712</u>	

The accounts were approved by the Trustees on 12 November 2009

Mrs G Smith
Treasurer

Mr J Parker
Chairman

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2009

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.3 Resources expended

All expenditure is included on an accrual basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The Trust is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

1.4 Investments

Fixed asset investments are stated at market value.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Accumulated funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2 Investment income

	Unrestricted funds	Endowment funds	Total 2009	Total 2008
	£	£	£	£
Rental income	35,497	-	35,497	36,512
Income from listed investments	15,900	-	15,900	16,540
Interest receivable	8,787	77	8,864	10,130
	<u>60,184</u>	<u>77</u>	<u>60,261</u>	<u>63,182</u>

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2009

3 Incoming resources from charitable activities

	2009 £	2008 £
Killearn Parish Book	3,236	275
Paul Trust - donation	-	3,000
	<u>3,236</u>	<u>3,275</u>

4 Total resources expended

	2009 £	2008 £
Costs of generating funds		
Investment management costs	3,742	4,685
Charitable activities		
<u>Direct charitable expenditure</u>		
Activities undertaken directly	36,636	22,916
Governance costs	679	700
	<u>41,057</u>	<u>28,301</u>

Governance costs include an accountancy charge of £623 (2008: £664) and amounts paid to facilitate Trustee meetings of £56 (2008: £36)

5 Activities undertaken directly

	2009 £	2008 £
Other costs relating to direct charitable expenditure comprise:		
Repairs, maintenance & insurance of properties	20,136	20,650
Buchanan Monument maintenance	343	285
Well Green maintenance	55	55
"Parish of Killearn" books	2,604	109
Donations	250	1,800
Buchanan Monument information plaques	4,619	-
Sundry expenses	125	17
Rents written off	7,827	-
Legal Fees	677	-
	<u>36,636</u>	<u>22,916</u>

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2009

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. They were reimbursed expenses - £122 (2008 - £123).

7 Employees

There were no employees during the year.

8 Fixed asset investments

	UK Investment Property £	UK quoted shares £	UK cash held as part of portfolio £	Endowment investments £	Total £
Market value at 6 April 2008	1,741,422	365,937	3,143	11,901	2,122,403
Disposal proceeds	-	(31,959)	-	-	(31,959)
Acquisitions at cost	-	21,743	6,470	77	28,290
Change in value in the year	-	(79,461)	-	-	(79,461)
Market value at 5 April 2009	<u>1,741,422</u>	<u>276,260</u>	<u>9,613</u>	<u>11,978</u>	<u>2,039,273</u>
Historical cost:					
At 5 April 2009	<u>66,469</u>	<u>276,534</u>	<u>9,613</u>	<u>11,978</u>	<u>364,594</u>
At 5 April 2008	<u>66,469</u>	<u>313,580</u>	<u>3,143</u>	<u>11,901</u>	<u>395,093</u>

9 Debtors

	2009 £	2008 £
Trade debtors	4,707	7,827
Amounts owed by connected undertakings	597	516
Prepayments and accrued income	1,208	-
	<u>6,512</u>	<u>8,343</u>

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2009

10 Creditors: amounts falling due within one year	2009	2008
	£	£
Accruals	<u>6,729</u>	<u>1,237</u>

11 Endowment funds

	Balance at 6 April 2008	Movement in funds		Balance at 5 April 2009
	£	Incoming resources	Resources expended	£
Permanent endowments				
Killearn School	8,040	9	-	8,049
Well Green	1,868	3	-	1,871
Killearn Millenium Fund	1,993	65	-	2,058
Capital	1,672	-	-	1,672
	<u>13,573</u>	<u>77</u>	<u>-</u>	<u>13,650</u>

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 6 April 2008	Movement in funds		Balance at 5 April 2009
	£	Incoming resources	Resources expended	£
Capital Fund	47,075	-	-	47,075
Bequest Funds	2,571	-	-	2,571
	<u>49,646</u>	<u>-</u>	<u>-</u>	<u>49,646</u>

SECOND KILLEARN TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2009

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 5 April 2009 are represented by:				
Investments	1,975,977	49,646	13,650	2,039,273
Current assets	274,147	-	-	274,147
Creditors: amounts falling due within one year	(6,729)	-	-	(6,729)
	<u>2,243,395</u>	<u>49,646</u>	<u>13,650</u>	<u>2,306,691</u>
Unrealised gains included above:				
On investments	<u>1,674,679</u>	<u>-</u>	<u>-</u>	<u>1,674,679</u>
	<u>1,674,679</u>	<u>-</u>	<u>-</u>	<u>1,674,679</u>
Reconciliation of movements in unrealised gains				
Unrealised gains at 6 April 2008	1,727,310	-	-	1,727,310
Net losses on revaluations in year	(52,631)	-	-	(52,631)
Unrealised gains at 5 April 2009	<u>1,674,679</u>	<u>-</u>	<u>-</u>	<u>1,674,679</u>